

“(i) SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.—

“(1) SPONSORSHIP AUTHORIZED.—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service positions to be available for distribution under this section.

“(2) DEPOSIT OF CONTRIBUTION.—Funds provided pursuant to an agreement under paragraph (1) shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

“(j) RESERVATION OF FUNDS FOR SPECIAL ASSISTANCE.—From amounts appropriated for a fiscal year pursuant to the authorization of appropriations in section 501(a)(2) and subject to the limitation in such section, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assistance available under section 126.

“(k) RESERVATION OF FUNDS TO INCREASE THE PARTICIPATION OF INDIVIDUALS WITH DISABILITIES.—From amounts appropriated for a fiscal year pursuant to the authorization of appropriations in section 501(a)(2) and subject to the limitation in such section, the Chief Executive Officer shall reserve an amount that is not less than 1 percent of such amount (except that the amount reserved may not exceed \$10,000,000), in order to make grants to public or private nonprofit organizations to increase the participation of individuals with disabilities in national service and for demonstration activities in furtherance of this purpose.”

#### SEC. 1307. ADDITIONAL AUTHORITY.

Part II of subtitle C of title I is amended by inserting after section 129 (42 U.S.C. 12581) the following:

#### “SEC. 129A. EDUCATION AWARDS ONLY PROGRAM.

“(a) IN GENERAL.—From amounts appropriated for a fiscal year to provide financial assistance under this subtitle and consistent with the restriction in subsection (b), the Corporation may, through fixed amount grants under subsection (d), provide operational assistance to programs that receive approved national service positions but do not receive funds under section 121(a).

“(b) LIMIT ON CORPORATION GRANT FUNDS.—Operational support under this section may not exceed \$600 per individual enrolled in an approved national service position and may reach \$800 per individual if the program supports at least 50 percent disadvantaged youth.

“(c) INAPPLICABLE PROVISIONS.—The following provisions shall not apply to programs funded under this section:

“(1) The limitation on administrative costs under section 121(d).

“(2) The matching funds requirements under section 121(e).

“(3) The living allowance and other benefits under sections 131(e) and section 140 (other than individualized support services for disabled members under section 140(f)).

“(d) FIXED AMOUNT GRANTS.—

“(1) GENERAL.—For purposes of subsection (a), and subject to the limitations in this subsection, the Corporation may, upon making a determination described in paragraph (2), approve a fixed amount grant that is not subject to the Office of Management and Budget cost principles and related financial recordkeeping requirements.

“(2) DETERMINATION.—Before approving a fixed amount grant, the Corporation must determine that—

“(A) the reasonable and necessary costs of carrying out the terms of the grant significantly

exceed the amount of assistance provided by the Corporation; or

“(B) based on the nature or design of the grant, any assistance provided by the Corporation can be reasonably presumed to be expended on reasonable and necessary costs.”

#### SEC. 1308. STATE SELECTION OF PROGRAMS.

Section 130 (42 U.S.C. 12582) is amended—

(1) in subsection (a)—

(A) by inserting after “State,” the following: “Territory,”; and

(B) by striking “institution of higher education, or Federal agency” and inserting “or institution of higher education”;

(2) in subsection (b)(9) by striking “section 122(c)” and inserting “section 122(d)”;

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “jobs or positions” and inserting “proposed positions”; and

(ii) by striking “, including” and all that follows through the period at the end and inserting a period; and

(B) in paragraph (2) by inserting “proposed” before “minimum”;

(4) in subsection (e)(2) by striking “were selected” and inserting “were or will be selected”;

(5) in subsection (f)—

(A) in paragraph (1), by striking “a program applicant” and inserting “an applicant”; and

(B) in paragraph (2)—

(i) in the heading, by striking “PROGRAM APPLICANT” and inserting “APPLICANT”;

(ii) in the matter preceding subparagraph (A), by striking “program applicant” and inserting “applicant”;

(iii) in subparagraph (A)—

(I) by inserting after “subdivision of a State,” the following: “Territory,”; and

(II) by striking “institution of higher education, or Federal agency” and inserting “or institution of higher education”; and

(iv) in subparagraph (B)—

(I) by inserting after “subdivision of a State,” the following: “Territory,”; and

(II) by striking “institution of higher education, or Federal agency” and inserting “or institution of higher education”; and

(6) in subsection (g), by striking the period and inserting “or is already receiving financial assistance from the Corporation.”

#### SEC. 1309. CONSIDERATION OF APPLICATIONS.

Section 133 (42 U.S.C. 12585) is amended—

(1) in subsection (b)(2)(B), by striking “jobs or”;

(2) in subsection (c), by redesignating paragraph (8) as paragraph (9) and inserting after paragraph (7) the following:

“(8) The extent to which the program generates the involvement of volunteers.”; and

(3) in subsection (d)(2)—

(A) by striking subparagraphs (A) and (G), and redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively;

(B) in subparagraph (A) (as so redesignated), by striking “section 122(c)” and inserting “section 122(d)”;

(C) in subparagraph (D) (as so redesignated), by adding “and” at the end; and

(D) in subparagraph (E) (as so redesignated), by striking “; and” and inserting a period.

#### SEC. 1310. DESCRIPTION OF PARTICIPANTS.

Section 137 (42 U.S.C. 12591) is amended—

(1) in subsection (a)—

(A) by striking paragraph (3); and

(B) by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively;

(2) in subsection (b)—

(A) in paragraph (1), by striking “paragraph (4)” and inserting “paragraph (3)”;

(B) in paragraph (2), by striking “between the ages of 16 and 25” and inserting “a 16-year-old out of school youth or an individual between the ages of 17 and 25”; and

(3) in subsection (c), by striking “(a)(5)” and inserting “(a)(4)”.

#### SEC. 1311. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

Section 138 (42 U.S.C. 12592) is amended—

(1) in subsection (a) by striking “conducted by the State” and all that follows through “or other entity” and inserting “conducted by the entity”; and

(2) in subsection (e)(2)(C) by inserting before the semicolon at the end the following: “, particularly those who were considered at the time of their service disadvantaged youth”.

#### SEC. 1312. TERMS OF SERVICE.

Section 139 (42 U.S.C. 12593) is amended—

(1) in subsection (b)(1), by striking “not less than 9 months and”;

(2) in subsection (b)(2), by striking “during a period of—” and all that follows through the period at the end and inserting “during a period of not more than 2 years.”; and

(3) in subsection (c)—

(A) in paragraph (1)(A), by striking “as demonstrated by the participant” and inserting “as determined by the organization responsible for granting a release, if the participant has otherwise performed satisfactorily and has completed at least 15 percent of the original term of service”;

(B) in paragraph (2)(A), by striking “provide to the participant that portion of the national service educational award” and inserting “certify the participant’s eligibility for that portion of the national service educational award”; and

(C) in paragraph (2)(B), by striking “to allow return to the program with which the individual was serving in order”.

#### SEC. 1313. ADJUSTMENTS TO LIVING ALLOWANCE.

Section 140 (42 U.S.C. 12594) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (2) and (3)”;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as (2);

(D) by inserting after paragraph (2) (as so redesignated) the following:

“(3) FEDERAL WORK-STUDY STUDENTS.—The living allowance that may be provided to an individual whose term of service includes hours for which the individual receives Federal work study wages shall be reduced by the amount of the individual’s Federal work study award.”;

(E) in paragraph (4), by striking “a reduced term of service under section 139(b)(3)” and inserting “a term of service that is less than 12 months”;

(2) in subsection (b), by striking “shall include an amount sufficient to cover 85 percent of such taxes” and all that follows through the period at the end and inserting “may be used to pay such taxes.”;

(3) in subsection (c)—

(A) in paragraph (1) by adding “and” at the end;

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as (2);

(4) in subsection (d)(1), by striking the second sentence; and

(5) by striking subsections (g) and (h).

#### Subtitle D—Amendments to Subtitle D (National Service Trust and Provision of National Service Educational Awards)

#### SEC. 1401. AVAILABILITY OF FUNDS IN THE NATIONAL SERVICE TRUST.

Section 145 (42 U.S.C. 12601) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(B), by striking “section 148(e)” and inserting “section 148(f)”;

(B) in paragraph (2), by striking “pursuant to section 196(a)(2)” and inserting “pursuant to section 196(a)(2), if the terms of such donations direct that they be deposited in the National Service Trust”; and

(2) in subsection (c), by striking “for payments of national service educational awards in accordance with section 148.” and inserting “for—

“(1) payments of summer of service educational awards and national service educational awards in accordance with section 148; and